



# Michigan Association of Counties

## 2011 LEGISLATIVE PRIORITIES

### REVENUE SHARING

Counties have saved the state **more than a billion dollars** since 2005 when they gave up revenue sharing temporarily to help the state with its budget problem. Counties will continue to help the state budget until the final county exhausts its reserve account well past the year 2020.

MAC is committed to being a positive voice as the Governor explores ways to incentivize revenue sharing, and believes that counties prior sacrifice on the states behalf, their leadership in the effort to reform, share services, and reduce the size and scope of government, and their efficiency in providing state mandated services for little or no cost to the state should be part of this discussion.

*MAC urges the Legislature and the Governor to live up to their end of this important promise which benefits the state and continue revenue sharing payments to the new slate of counties in fiscal years 2012 and 2013.*

### UNFUNDED MANDATES

In 2009, the Legislative Commission on Unfunded Mandates determined that **more than \$2.5 billion in services that can be measured**, and billions more that cannot be measured, is provided by local units of government for free to the state of Michigan through unfunded mandates. Legislation has been introduced to correct this problem going forward.

There is little that can be done about past state violations of the Constitution, however the legislation would require the state legislature to pay for any new mandates it imposes on counties and other local governments, or else it would become optional. Further, the legislation would make it possible to avoid costly and time-consuming court battles for both sides by streamlining the process by which unfunded mandates are challenged.

*MAC supports passage of the Rep. Kowall package of bills to eliminate future unfunded mandates by the legislature on counties and other local units. The package would make it easier for the legislature to abide by the Constitution.*

## **ECONOMIC DEVELOPMENT & TAXATION**

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### **Public Employee Compensation Reform**

MAC understands the state's concerns with public employee wages and benefits. Each unit of government has a responsibility to the people it serves to be good stewards of the public dollars it is entrusted with.

*MAC encourages the legislature to enact meaningful reform measures to PA 312, the Urban Cooperation Act, and other similar acts to give counties the tools to hold costs down. MAC opposes state mandates on county employee benefits or wages because it could do so arbitrarily in the future with no cost implications to itself.*

### **Economic Development Tools**

Currently counties are at the whim of cities, townships and villages (CTVs) with regard to the implementation of economic development tools. While counties have opt-out provisions for DDAs, TIFAs, and LDFAs that have been created after 1994, capture districts implemented before that continue to capture county revenue, with no consent by the county. These tools can be extended, essentially forever, with no county input.

Additionally, some renaissance zones, enterprise zones and other assorted economic development tools are created by CTVs and only allow public comment period for counties. Even over a county's objection in these comment periods, the CTV can abate county property taxes. Counties, as a more regional voice, are in a better position to help local units of government coordinate and collaborate to help business thrive in Michigan.

*MAC believes that counties should be the engine for regional collaborative efforts on economic development. If nothing else, counties should be able to opt out of revenue capture or exemption independently of CTVs.*

### **Regulatory Reform**

Getting rid of mandates, or making them optional would give county commissioners the ability to look at both their responsibilities and the funding their constituents entrust to them in a more holistic manner. Such mandates range from court funding to public health service mandates.

*MAC supports making existing mandates optional in order to allow counties the flexibility to govern according to the will of the people they serve, rather than the dictates of Lansing.*

### **Personal Property Tax**

MAC's platform statements, which guide our public policy, continue to recognize the personal property tax as a tax that does nothing to promote economic growth. MAC therefore supports elimination of this tax, with corresponding funding replacement from the state.

### **Greater Discretion in Setting County Fees**

Most fees for county programs are set in state statute even though the state does nothing to manage the programs.

*MAC believes that fees for county programs and services should be set by county boards of commissioners, not to exceed the cost of doing business.*

### **Protection of Liquor Tax Revenue**

In past budget cycles, attempts have been made to raid the convention facilities fund, or liquor tax revenue, and in 2007, the fund was completely raided.

*Counties rely on this source of revenue for substance abuse programs, among other sources, and would oppose utilizing this method to balance the budget.*

### **Property Tax Caps**

Counties and other local units of government have been subject to property tax limitations since 1978. These units cannot increase property taxes above the rate of inflation (or 5%, whichever is less) from one year to the next.

Since 1994, any growth, community-wide, above the rate of inflation, triggers a property tax rollback. These protections have treated Michigan's citizens very well for the past 30 years. Currently, while property values have been falling, it is important for the Legislature to realize the cost of providing essential services increases annually.

*Any changes to our current property tax structure (for example: "Supercap ") need to carefully consider the impact on providing critical services, and hold local units of government harmless.*

## JUDICIARY & PUBLIC SAFETY

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### Law Enforcement Information Network (LEIN) Reform

The LEIN system is a state computer database that police agencies use to populate and keep criminal history records. The cost of the database is split 2/3 state and 1/3 local users by statute. LEIN was governed by the CJIS Policy Council, made up of users of the system, which set local fees and held responsibility in policing any misuse of the system. The Council was eliminated by Governor Granholm in 2009, and control was given to the State Police, where the database is housed.

*The CJIS Policy Council must be reinstated in order to promote fair representation over control of the system and to comply with federal guidelines. The Council needs to be strengthened so that documentation requested in assisting the setting of local fees must be supplied by the state. Finally, a permanent source of funding must be found for supporting the LEIN database and local contribution needs to be recognized and valued. Revenues generated by the State Police from the sales of information contained in the system could be used to at least partially offset the cost of the system.*

### Sentencing Guidelines

As the state's prison system nears capacity, counties' jails face similar problems, with more than 80% of county jails at or over capacity. Many counties have laid off deputy sheriffs which provide secondary road patrol in favor of using those funds to meet their constitutional obligation to operate their jail.

*Shifting the sentencing guidelines in a manner which results in more offenders heading to county jails or other local sentencing is a major concern for counties and can exacerbate an already difficult situation. MAC does not support this policy without being protected, dollar for dollar, from an additional funding burden.*

### County Jail Reimbursement Program (CJRP)

MAC has worked to assist the Department of Corrections for more than ten years in diverting felons from prison by housing them in county jails for a fee. CJRP was a trade-off result from installation of sentencing guidelines. Rather than contracting out for beds, county jails house prisoners in county jails which result in tremendous savings for the State.

*Lately, CJRP has been threatened and MAC believes this program is working well and wishes to continue its progress in helping the state to save money rather than turning to other states for support.*

### E-911 Funding

Michigan's counties are national leaders in providing 911 services. This level of services is made possible by funds (90% of the total) raised at the local level for the purpose of protecting the citizens they serve.

*MAC opposes any effort by the state to consolidate 911 services into a state department under state control. MAC supports using the corpus of the leftover Commercial Mobile Radio System (CMRS) fund to offer positive incentives for local units to consolidate 911 services at the local, county, or regional level.*

## **Court Funding**

While the court system in Michigan is one that is state controlled, it is largely county funded with little, if any say by counties in court operations. A study of 27 Michigan counties in 2006 showed that while those counties were required to spend more than \$183 million in court funding costs, the state reimbursed only 52%, or \$95 million (including salaries for judges). The unfunded gap would obviously be much larger for all 83 counties.

*MAC urges the Legislature and Governor to begin the process of bringing Michigan's system of court funding back to the state.*

## HEALTH AND HUMAN SERVICES

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### Foster Care / Juvenile Justice (JJ) Reform

Counties are mandated by the state to pay for 50% of the \$37 per day administrative fee charged by private child-placing agencies for foster care. In the past, increases in this fee have resulted in continued increases in county costs. *MAC urges the legislature to pay for all administrative costs for foster care, regardless of placement.*

Investing in JJ programs that are home and community-based, when public safety is not an issue, results in lower cost and reduced or eliminated placements down the road. Home and community-based placements require more creativity, coordination, and staff-time to run than traditional residential placements, however, making them more difficult to put in place.

*MAC encourages the legislature to increase the state reimbursement rate for community-based placements with proven outcomes to encourage counties with barriers to begin using these placement options. Finally, MAC suggests convening a council of stakeholders consisting of counties, courts, private child placing agencies, the department, and mental health in order to work on issues such as improving federal funding, encouraging more choices for placement, and for discussion generally of improving child welfare in Michigan.*

### Local Public Health

The state is required by statute to pay for 50% of the cost of mandated local public health services. The state has only met this requirement one time. Counties are paying about 75% of the cost of mandated local public health services, creating a classic example of the burden placed by the state on counties.

*MAC encourages the legislature to fund its half of mandated local public health services according to the requirements of statute.*

### Community Mental Health

Appropriate funding of the community mental health system is important to keeping residents of the state healthy, and it benefits both the state and county budget by keeping people out of the judicial system. The ability to provide consistent and seamless care in county jails is also important, and state funding for local mental health needs to be continued to be allowed to be used in county jails so that treatment is not disrupted.

*MAC supports appropriate funding of the CMH system. MAC further supports legislation clarifying the ability of a local CMH to use general funds for treatment in the jail.*

## **County Medical Care Facilities**

Michigan's 36 county medical care facilities provide skilled nursing and rehab services to the residents of Michigan, and are mandated to admit those without the ability to pay first, as the safety net for skilled nursing. These facilities primarily serve underserved and rural populations, are considered the standard of care in their field, and enjoy widespread support in their communities. Counties are required to maintain a maintenance of effort (MOE) payment, and the state benefits from the QAAP payments made by the facilities.

*County Medical Care Facilities support renewal of the MOE for a period of 5 years. County medical care facilities oppose any attempt by hospitals to keep people in that more expensive setting longer than necessary by fiddling with swing bed statutes.*

## TRANSPORTATION

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### County Road Commissioners

Currently county road commissioners are selected via appointment or election (33 elected, 48 appointed) but all represent the county at-large. In many cases, all three or five of the elected road commissioners reside in the same geographic location in the county. Allowing county boards the option of creating road commission districts would ensure that every part of the county would receive the proper representation and attention to the care of their roads as well as provide some accountability to the constituency.

*MAC supports legislation giving county boards the option of districting county road commissioners. MAC also supports allowing the board to limit the term of an elected Road Commissioner to four years.*

### Transportation Funding / Gas Tax Reform

Last year, the Transportation Funding Task force made several recommendations to maintain and improve Michigan's infrastructure. These critical recommendations are targeting economic development opportunities and safety issues for this state, through revisions to the various funding mechanisms for all modes of transportation.

Michigan's gas user fee has remained unchanged for more than 10 years. *MAC supports increasing the gas user fee by nine cents, three cents per year for three consecutive years, and sunseting it in 7 years to reassess technological advances.*

Also, Michigan's diesel fuel user fee has remains at a different rate than the motor fuel user fee. *MAC supports raising the diesel fuel tax rate to match the rate on motor fuels. MAC strongly opposes any efforts to divert fuel tax revenue for other uses and supports the ability for individual counties to collect a gas tax which is applied for that specific county.*

### County Airports

The state of aeronautical infrastructure in Michigan is currently at a critical tipping point.

*MAC urges the Bureau of Aeronautics and Department of Transportation to adequately fund the growing need of Michigan air service. MAC supports adequate State funds to continue to match federal funding and to leverage as many federal dollars as possible in ALL categories.*



## ENVIRONMENTAL

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### **Payment in Lieu of Taxes (PILT)**

Counties with large tracts of DNR owned property rely on PILT to help fund essential services. This funding source for locals has endured a five year freeze on assessments and needs to be protected. The state has a great appetite for purchasing land, and a poor track record of paying its taxes. Counties should also have the option of vetoing state land purchases in their jurisdiction.

*MAC supports full payment of PILT by the state. Further, if property is coming off the tax rolls and the state cannot adequately pay its property taxes, locals should have the right to refuse these purchases.*

### **Agriculture and Tourism**

Tourism has become one of the fastest growing sectors of Michigan's economy; something that is largely locally supported and MAC would like to both protect and promote the growth of this industry. Agriculture has proven to be the one stable part of Michigan's economy.

*MAC urges the legislature to continue funding local Conservation Districts and Michigan State University Extension to assist with the preservation of forest land, water, farm land, and other natural resources. These programs are active partners with local units of government and their resources.*

### **Renewable Energy**

While Michigan's leaders continue efforts to diversify our state economy, the renewable energy industry provides a major opportunity for growth in the near future. Local residents must have a say, however, and must also benefit from any development of renewable resources.

*As Michigan moves towards meeting its RPS goals, MAC supports legislation for statewide development of renewable energy resources and energy conservation that allows counties an appropriate voice for the people who live in the area, and the ability to negotiate appropriate royalties to the benefit of the citizens who are affected by the new development.*





# **THE IMPORTANCE OF REVENUE SHARING FOR MICHIGAN COUNTIES**

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## COUNTY STATUTORY REVENUE SHARING

With the current proposal to cut revenue sharing to Michigan counties in the Fiscal Year 2012, the Michigan Association of Counties would like to offer some insight as to why such a cut would be devastating to this vital, effective unit of local government:

- Cuts to revenue sharing combined with the recent reductions in property values and increased mandated state service delivery has stretched counties to their limit.
- With the proposed budget for Fiscal Year 2012, counties would receive a cut of about \$50 million; a total of 34 percent or a reduction from \$150 million to \$100 million.
- Counties have worked diligently for the past decade by leading the effort to reform, consolidate, and right size government in an effort to increase efficiency and adjust to declining revenues.
- Counties do not receive constitutional protection for revenue sharing. Taking that into consideration, this cut would be disproportionate for counties at 34 percent.
- Revenue sharing was created to replace local taxing authority with sales tax to improve business climate by eliminating a patchwork of local taxes.
- In 2004, counties agreed to forgo revenue sharing for a period of time, in order to assist Michigan in balancing the budget and were promised a return of that funding once reserves were depleted.
- The state has pledged to keep promises to businesses for current tax credits, and needs to keep this promise to the state's partner and service arm, counties, by restoring revenue sharing.
- Revenue sharing is critical to helping counties, the state's service arm, partially alleviate the cost of unfunded state mandated service delivery.
- The current model of mandating counties to deliver services on behalf of state government without paying for them is unsustainable.

In summary, counties have saved the state **more than a billion dollars since 2005** when they temporarily gave up revenue sharing to help the state with its budget problem. Counties will continue to help the state budget until the final county exhausts its reserve account well past the year 2020. But to further penalize counties for their sacrifice is unfair.

MAC is committed to being a positive voice and is willing to work with the state to find solutions that work for both parties. Counties believe that their prior sacrifice on the state's behalf, coupled with their leadership in reforming local government, sharing services, and reducing the size and scope of government, are a testament to their efficiency in providing state mandated services for little or no cost. This dedication and willingness to partner with the State should be part of this discussion.

*MAC urges the Legislature and the Governor to live up to their end of this important promise which benefits the state by continuing revenue sharing payments to the new slate of counties in fiscal years 2012 and 2013.*

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## COUNTY: **BERRIEN COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Berrien County brings the revenue sharing directly into the general fund to support primary county functions and mandates. Mandated services consume 69.6% of the county general fund budget; 22.9% support; and only 7.5% for discretionary items. \$9,900,000 is projected to be spent on the courts functions in 2011 and \$14,900,000 for public safety. Berrien County's revenue sharing covers only approximately 14.5% of these but is critical to sustaining these essential services.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: Berrien County continues to shrink its employment. In five years we have reduced full time county employment by 10%, increased employees share in health insurance to 15%; raised the vesting requirement from 5 to 10 years; and invested approximately \$1,000,000 a year in technology.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Berrien County has, for three years, worked with the state courts and Washtenaw County to design the "next generation judicial information system". When finished we will have contributed \$1.2 million to the state for this project along with a staggering amount of "in kind" services.

Berrien County has, in the past three years, expanded our 911 dispatching services to one state police post, one city, and four townships--reducing the number of PSAPs in the county by two. This was done without charging those local units.

Our technology department is working collaboratively with local units to upgrade the tax and assessing software (largely at county expense) and also we are in the final stages of providing a common, county-wide, police records system.

COUNTY: **BRANCH COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Public Safety - Sheriff Department. We will have to substantially reduce this department in personnel, equipment, and supplies with a reduction in state revenue sharing. Impact - reduction in services to our citizens, slower response time, inability to react to all incidents, reduction in community safety.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE:

- Layoffs.
- Not hiring replacements for employees that retire or terminate.
- Increased employee burdens (insurance premium costs).
- Reduction in benefits.
- Reduced services.
- Partnerships.
- Furlough considerations.
- Decreased pension plan benefits.
- Decreased vacation time.
- Increased pension plan employee contribution.
- Bundling service calls.
- Information technology enhancement.
- Cross-training.
- In-kind services.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE:

- Partnering with businesses or organizations to provide education forums.
- Partnering with municipalities to provide services, e.g., information technology, permitting, personnel services.
- Partnering to provide employee benefit management, retirement management.
- Reliance on vendors and increase in defined contribution availability for financial guidance.
- Working with MAC to maximize our ability to leverage legislative actions (speak for 83 counties instead of 1 county).
- Working with MACSC to maximize our ability to leverage volume discounts.
- Idea out-sourcing and reliance on vendors to assist us in cost containment.

## COUNTY: CLINTON COUNTY

1. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

### RESPONSE:

#### Initiatives CURRENT:

- Central Dispatch – replacement of mobile data computers & radio modems
- Central Dispatch – I/P phone install with virtual backup capabilities
- Clerk/FOC – document imaging system
- Equalization/Tax/Permitting/Drain – upgrade to BS&A software
- MIS – ongoing implementation of document management/imaging projects
- Sheriff – records management system/electronic ticketing extended to local units

#### Initiatives FUTURE:

- Admin/Accounting – auto indexing of vendor invoice documents
- Admin/Accounting – expand vendor electronic payments
- Admin/MIS – I/P phone system county-wide
- Central Dispatch – communication system enhancement

2. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

### RESPONSE:

#### Cooperative Efforts Existing

- Clinton County 911 Authority
- Clinton County/MSU Extension
- Clinton/Gratiot 29th Judicial Circuit Court
- Clinton/Gratiot DHS
- Clinton/St. Johns Facility Agreement
- Community Mental Health CEI (Clinton, Eaton, Ingham)
- Ingham/Clinton Veterans Affairs
- Mid-Michigan District Health Department (Clinton, Gratiot, Montcalm)
- Tri-County Metro Narcotics Squad
- Tri-County Office on Aging
- Tri-County Regional Planning Commission

#### Recent

- Clinton County Economic Alliance
- Clinton County/RESA Motz Park
- Building Code Enforcement (Clinton, St. Johns)
- MDC replacement (Clinton, MSP, Maple Rapids, Elsie, Ovid, St. Johns, DeWitt City, DeWitt Twp, Bath Twp)
- Local Law Enforcement Records Mgt (Clinton, St. Johns, DeWitt Twp, Bath Twp)



- Mid-Michigan 911 Consortium Board (Clinton, Eaton, Ingham, Livingston)
- Orthophotography (Clinton, Eaton, Ingham, U.S.G.S., 18 Townships/Cities within the County)
- Capital Region Airport Authority (Clinton, Eaton, Ingham & the City of Lansing)

*Note: Tri-County denotes Clinton, Eaton & Ingham*

## COUNTY: CRAWFORD COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Our revenue sharing allocation has funded the following programs:

- 40% to offset the cost of public safety in the General Fund
- School Resource Officer
- MSU Extension
- OPEB responsibilities

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE:

- We have less employees than we did 15 years ago
- We try to keep up with technology in order to avoid adding additional help
- We were sued by our Courts when we tried to prevent them from initiating retirement health care and unfunded pension liabilities for their employees that we could not afford. We did this with no financial assistance from anyone else. We won our case but still paid over \$700,000 in attorney fees
- We have eliminated OPEB for any new hires
- We have continually adjusted our health care plan for active employees to save dollars

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE:

- We are trying to establish an advisory commission to the County Board made up of representatives from all local units to discuss county wide issues and advise the Board
- We are trying to establish a county wide recycling program that is more sustainable than the one we currently have.
- We have worked together to establish a GIS program that all local units are benefitted by
- We have been working together to establish an ORV system that is conducive of what all the local units and clubs would like
- We have discussed the return to county wide zoning, law enforcement initiatives, partnerships with the school on recreational opportunities etc.

## COUNTY: DELTA COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: See below.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: See below.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: See below.

"Delta County has been meeting with Menominee, Dickinson, Marquette and Schoolcraft Counties to work on various ideas for shared services.

Additionally, Delta County and the Road Commission (including the Delta Area Transit Authority) are putting together a joint RFP for vehicle/equipment maintenance which will save us money. The Road Commission has a state of the art facility but no certified mechanics, DATA has certified mechanics and Delta has nothing but whatever local vendor can take the vehicle.

One of the biggest hindrances to more joint efforts is labor contracts and/or employee protection clauses i.e. Urban cooperation Act. These clauses greatly hinder efforts. Local governments need immediate and swift assistance in this area.

How do you get Judges to consolidate, share services and/or be more efficient when they are a kingdom unto themselves. Counties will need much assistance in this area."

## COUNTY: **GENESEE COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: State Shared Revenue Sharing has been a substantial and critical portion of Genesee County's total General Fund revenues. These funds, a distribution of a portion of sales tax revenues collected by the State of Michigan, have provided a significant portion of the General Fund revenues through the years.

In late 2004, the State legislature voted to "temporarily suspend" revenue sharing payments to Counties. At the same time, the tax levy for County government was changed from a winter levy (levy date December 1) to a summer levy (levy date July 1), to be phased in over a three year period. As a result of the change in the levy dates, the County realized an "extra" property tax levy which the County was required to place into a restricted fund to be used to offset the loss of State Shared Revenue Sharing. The States "promise" was that once this restricted fund was depleted, the State would resume payments of State Shared Revenue Sharing to the Counties.

The County was significantly impacted by this change from a winter levy to a summer levy to accommodate the State's need to temporarily suspend revenue sharing payments. Genesee County's fiscal year runs from 10/1 through 9/30. Previously, the County would levy County property taxes on December 1, collect them mainly in January and February, and would receive the payout of the uncollected taxes from the Delinquent Tax Revolving Fund in June. 100% of the levied amount (less any Board of Review and Michigan Tax Tribunal adjustments) was collected within the same fiscal year.

The tax collection calendar that is now effective after the change dramatically slows the tax collection period. The County's fiscal year still begins on October 1st, taxes are levied nine months into the fiscal year on July 1st and are collected through the following June when the County receives the payout of the uncollected taxes from the Delinquent Tax Revolving Fund. As a result the property taxes are collected in two separate fiscal years. Because of this change and the resulting slowdown of the property tax revenues, Genesee County saw a permanent decline in fund balance of approximately 14% of current year's property tax revenues or \$7.0 million. Also, the County now operates for over nine months before we receive any of the County's largest revenue source; property taxes. This has resulted in many counties, including Genesee County, having to issue tax anticipation notes to have cash on hand to pay normal operating expenditures of the County.

Genesee County was able to utilize the restricted funds associated with the "extra" levy to replace State Shared Revenue Sharing for the 2005, 2006, 2007, 2008, 2009, and 2010 fiscal years. The State, as promised, resumed revenue sharing payments to the County at the end of the 2009/2010 fiscal year. Genesee County budgeted that it would receive \$9,400,000 in

State Revenue Sharing during the 2010/2011 fiscal year although the latest projection for 2010/2011 is \$9,847,817. This amount represents 11.31% of the General Fund budget for 2010/2011.

The anticipated loss of 34.6% of the 2010/2011 State Revenue Sharing amount will have a significant effect on Genesee County. For example, the \$3,397,497 reduction represents over 4% of the entire General Fund budget. It would require the elimination of 100% of discretionary services (much of which consist of Public Safety expenditures) as well as the elimination of additional mandated functions. This reduction, combined with an additional 7% projected decrease in property taxes for 2011/2012 will result in significant reductions of staffing of Genesee County departments. These staff reductions will certainly result in reductions in services to Genesee County constituents. Accordingly, the continuation of State Shared Revenue Sharing at its current level is critical to Genesee County's continued ability to provide valuable and needed services to the residents of Genesee County.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE:

1. Genesee County implemented a Defined Contribution Pension Plan in 1996. In 2005, the Defined Benefit Pension Plan was closed to all new hires. Currently, the contribution rate for the Defined Benefit plan is 31% while the contribution rate for the Defined Contribution Plan is 10%.
2. The County created a VEBA in 2004 to recognize and to formally account for the projected costs of retiree health care expenditures for County retirees. The County had been contributing to a "pool" to accumulate funds for the payment of this liability since the early 90's. In 2004 when the VEBA was created, all of these accumulated funds were transferred to the VEBA. Also, in 2006, all employees received a 1% salary reduction with the amount of the reduction being contributed into the VEBA. Currently, the County has approximately \$45 million to offset a \$275 million liability. The County is making regular contribution to not only pay the cost of actual premium payments but continues to contribute additional dollars to pre-fund this huge liability.
3. In 2009, the County began to self-insure the pharmacy benefits promised to all County active and retired employees. This methodology has resulted in less administrative costs for the County saving precious County resources.
4. In 2010, the County became self-insured for Blue Cross/Blue Shield medical insurances. This has resulted in a significant decrease in the cost of medical insurance for active and retired employees.

5. The first of many collective bargaining agreement was ratified by the Local 496-00 union on February 28, 2011. This agreement, assuming ratification by the Board of Commissioners on March 2, 2011 has a number of positive actions as detailed below:

- a. Change in Medical Insurance provisions resulting in significant reductions in cost for the employer. In addition, the employees will be contributing 2.5% of the premiums for 6/1/11-5/31/12 at which time their contribution will increase to 5%.
- b. Increasing the defined benefit pension plan employee contribution rate from either .5% or 5% to 7% for all defined benefit pension plan participants.
- c. Decrease the employer contribution for the defined contribution pension plan from 10% to 8% of gross salaries.
- d. Increasing the employee contribution, paid through a salary reduction, for the VEBA from 1% of gross salaries to 5% of gross salaries.
- e. Eliminating the typical retiree health care for all individuals hired after the ratification of the contract. These employees will receive a contribution of \$50/pay period and interest computed at 2.5% per year for health care expenses that will be available if they retire with a minimum of 25 years of service.
- f. Employees will take nine (9) unpaid furlough days each year.
- g. Other changes which when combined with the above changes, result in a decrease in total compensation by approximately 9%.

6. Instituting a hiring freeze at the beginning of 2010 and facing the challenges of significant declines in property tax revenues. This resulted in the loss of approximately 150 positions through either attrition or layoff since June, 2010. Many mandated departments have been drastically reduced through this process.

7. Embarked on a energy audit which resulted in a partnership with Johnson Controls to guarantee significant energy savings when certain capital improvements were completed. This program will result in significant capital improvements funded through a bond issuance. The debt service on this bond issuance over the next 15 years will total approximately \$10 million while the projected energy and operational savings will total approximately \$13 million; a net savings of over \$3.0 million.

8. The County has closed three (3) facilities in the past two (2) years with those departments being consolidated into other existing County facilities.

9. Significant intergovernmental cooperation and relationships have been forged through many different programs. See the enclosed powerpoint presentation detailing those various programs and initiatives.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: See Number 2. Further response included below.

**Genesee County, Michigan**  
**Comparison of Revenue Sharing Received vs. Total General Fund Revenues**  
**1999-2010**

<u>Fiscal Year</u>	<u>Revenue Sharing Received<sup>(1)</sup></u>	<u>Total General Fund Revenues</u>	<u>% Of Total</u>
2010/2011 <sup>(2)</sup>	9,400,000	83,091,649	11.31%
2009/2010	10,725,017	91,457,542	11.73%
2008/2009	9,945,951	95,387,239	10.43%
2007/2008	9,492,489	104,063,933	9.12%
2006/2007	9,243,278	100,956,117	9.16%
2005/2006	8,947,994	96,256,599	9.30%
2004/2005	8,662,143	95,884,122	9.03%
2003/2004	5,929,005	93,601,224	6.33%
2002/2003	7,365,672	89,393,562	8.24%
2001/2002	8,392,256	88,054,134	9.53%
2000/2001	8,616,399	83,746,184	10.29%
1999/2000	8,528,527	79,217,066	10.77%

<sup>(1)</sup> This includes State Revenue Sharing Payments received from the State of Michigan as well as withdrawals from the Revenue Sharing Reserve Fund

<sup>(2)</sup> Budgeted Amounts

## COUNTY: INGHAM COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: In the 2011 adopted budget, Revenue Sharing accounts for 8.2% of the overall general fund revenues. It is used to offset all general fund costs. The Departments receiving the most general fund dollars are the Sheriff (24%), the Health Department (16%), the General Trial Division of the Circuit Court (11%), the Family Division of the Circuit Court (8%) and the Prosecuting Attorney (8%).

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: In 2011, Ingham County addressed a shortfall of \$6.4 million. Major solutions included a decrease in general fund support for the Health Department (\$1.2 million), the elimination of unsubsidized road patrol (\$1.1 million), the closure of a post at the Jail (\$721,000), other position reductions and reorganizations (\$775,000), and a decrease in placement costs for the Family Court (\$350,000)

The Sheriff's Office has been particularly hard hit by budget reductions in recent years. Although no positions were eliminated in 2009, in 2010 seventeen positions were eliminated at a savings of \$1.34 million. In 2011, thirteen positions were eliminated at a savings of \$2.3 million. Please note the 2011 savings also include significant reductions in operating costs..

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE:

- Ingham County is collaborating with the cities of Lansing and East Lansing to implement a consolidated, county-wide dispatch center.
- Together with Eaton, Clinton and Livingston Counties, along with the cities of Lansing and East Lansing, Ingham County has created the "Mid-Michigan 911 Consortium" to share costs of new phone technology and develop virtual backup capabilities.
- Ingham County has entered into a long-term lease agreement with the City of Lansing for operation and maintenance of Potter Park Zoo.
- Ingham County is participating in the preparation of a Tri-County Hazard Mitigation Plan.
- There are currently police services agreements in place with the Village of Webberville and Delhi Township whereby the Sheriff provides road patrol/law enforcement services.
- The Ingham County Health Department provides medical direction and program consultation to the Ionia County Health Department.



- Health Plan Management Services provides administrative support to community based corporations planning and operating health benefit programs for low-income, uninsured persons in 16 other counties.
- The Ingham County Human Resources Department provides assistance to the Tri-County Office on Aging and the Ingham County Road Commission.
- The Ingham County Veterans Affairs Office provides service to Clinton County veterans by contract.
- As an implementation activity of the "Regional Growth Choices for Our Future" project, the Ingham County Board of Commissioners has supported the Urban/Rural Service District/Boundary Committee and its pursuit of the successful and equitable development of an urban service boundary policy.

## COUNTY: ISABELLA COUNTY

### 1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

Revenue sharing dollars are deposited into the general fund and proportionately allocated among all general fund functions. Comprehensive Annual Financial Reports for FY 2004 through FY 2009 showed allocation of revenue sharing dollars or revenue sharing reserve dollars to be as follows:

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Legislative	0.75%	0.83%	0.94%	0.73%	0.79%	0.81%
Judicial	13.81%	15.29%	15.47%	15.71%	17.32%	17.08%
General Government	27.82%	25.36%	25.54%	26.75%	27.14%	26.09%
Public Safety	27.38%	29.23%	30.16%	27.55%	28.38%	28.55%
Public Works	2.21%	0.96%	0.89%	1.86%	1.13%	1.38%
Health and Welfare	7.46%	7.54%	7.57%	5.58%	5.73%	5.48%
Community and Economic Development	0.00%	0.00%	0.00%	1.33%	1.34%	1.17%
Recreation and Cultural	1.27%	1.31%	1.24%	0.02%	0.03%	0.02%
Capital Outlay	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	3.10%	3.28%	2.33%	2.21%	2.90%	2.68%
Debt Service	0.28%	0.28%	0.27%	0.00%	0.00%	0.00%
Transfers Out	15.91%	15.92%	15.59%	18.26%	15.25%	16.73%

NOTE: For continuity from year to year, transfers out to the revenue sharing reserve fund in FY 2005 – FY 2007 are not included in calculations shown above.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE:

- Retirement benefits for Isabella County employees hired since January 1, 2001 (currently 45.8% of the workforce) are tied to a defined contribution program as opposed to traditional defined benefit programs.
- All county wage scales (union and non-union) were frozen at 2009 rates. No inflationary adjustments have been applied.
- The County's recycling program was restructured in FY 2010 in recognition of economic challenges.
- Twelve county employees were laid-off or had their hours of work reduced in FY 2010. These adjustments continue into FY 2011.
- Isabella County provides permanent full-time employees with a basic health insurance package (Blue Cross/Blue Shield of Michigan plan PPO 4), but allows individual employees to "buy up" other plans by paying the full difference in cost.
- Liability insurance policies are reviewed each year by the County's insurance consultant. Insurance carriers meeting County requirements bid for the County's business.
- Various fees charged for services ranging from permits to campground fees have been adjusted upward.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE:

- Isabella County provides building inspection services to the City of Mount Pleasant, 12 of 14 townships, and three villages within the boundaries of Isabella County. In addition, building inspection services are provided by contract to Clare County and several other Clare County municipalities.
- Isabella County provides curbside recycling services, by contract, to several townships and villages.

## COUNTY: JACKSON COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

### RESPONSE:

- Revenue sharing is spent on capital improvements, a sheriff's deputy, and OPEB costs.
- If it were eliminated, the county would move to eliminate its safe community strategy, whereby the county provides road patrol to other local units at no cost. One deputy would also be eliminated.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

### RESPONSE:

- Eliminated 80 jobs over 5 years.
- New employees share health costs and are on defined contribution.
- Reworked retiree healthcare to make qualification at 25 years of service, and now moving to retiree health savings accounts.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

### RESPONSE:

- The county provides information technology services to the road commission and the medical care facility.
- The county performs human resources services for the City of Jackson.
- The county shares a medical director and a health officer with Livingston.
- Trying to merge parks system with City of Jackson right now. Currently they share a parks director, but are still discussing how to merge staff, who will house it, etc.

## COUNTY: KALAMAZOO COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Prior to the State suspending county revenue sharing and authorizing the creation of the revenue sharing reserve fund, Kalamazoo County used RS as an income source to the general fund to help offset the cost of operating expenditures in the general fund. As such, we did not tie revenue sharing to support any particular set of services, other than the array of State mandated services the county provides. After the suspension of RS by the State, Kalamazoo County began a two-fold, multi-year strategy. The first part of the strategy was to begin reducing operating expenses in the GF by a total of \$5 million - which is the approximate amount of our annual RS distribution. We did this over a 5-year period. The second part of that strategy was to earmark, again over the same 5-year period, RS funds for capital replacement or expansion of the county jail. Kalamazoo County has a woefully undersized jail to adequately protect public safety, and we have had to use regular early releases of prisoners to avoid overcrowding. Also, because the small size of our jail, many crimes for which the public would expect jail time should be meted out do not occur. Two attempts to request special voted millages/bond requests for larger jail and additional jail operating expense were soundly defeated in 2002 and 2005. Following the 2005 defeat, the county began this two-fold process of putting RS into a special capital fund to eventually expand our jail. In other words, when the voters told us no new taxes for an expanded jail, we then proceeded to tighten our operating belt, reduce expenditures, and save the money to eventually build jail expansion. We are on the verge of doing precisely this, as it appears we will have enough money by the end of the year to do this. RS would then be used to pay for the increased operating expense of the expanded jail. So, in essence, we are now using RS exclusively for public safety and law enforcement purposes, and its continuation is critical to public safety. Without it, it will be very unlikely we will be able to expand the jail without major reductions in road patrol - or other vital or mandated services. One last comment: to the best of my knowledge, no other county in the state has taken this type of initiative, and we consider it a best practice in the state.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: We have done a number of things, since 2004. We have held the line on general wage increases, below the rate of inflation. In 2004 and 2005, we had wage freezes for all non-union and union employees (with the exception of our two 312 units). Over the next three years, we had average wage increases of less than 2%. We have had wage freezes in 2010 and 2011. We have actually been able to hold the line on health care expenditures (and in some years actually reduce them) through a variety of mechanisms, including a wellness initiative and an overhaul to our health care plan, including self-funding. We believe this is also a best practice. We increased our employee contributions to 12%.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: We are working harder and smarter with all local units of government within the county, particularly our two major cities: Kalamazoo and Portage. Although we do not have a consolidated dispatch authority, three of the county's PSAPs are collocated in one location and on the same communication system. The city of Kalamazoo and county of Kalamazoo merged their disparate transportation systems into a coordinated system in 2006. Kalamazoo County's district courts merged and consolidated in 1999. We have picked the low hanging fruit of working more efficiently and cooperating together with all local units in the county. Full-fledged consolidations are not possible at reduced costs, without major legislative action to amend the Urban Cooperation Act, Public Act 312, PERA, and other statutes. Most significantly, Public Act 312 should either be eliminated or seriously amended, as it places the greatest unfunded mandate by the State onto nearly every local unit in the state. This mandate is helping to bankrupt local communities all across the state. Here in Kalamazoo County, the sacrifices and contributions of employees, departments and courts noted in both #1 and #2 above, were equally shared among all non-union and union employees throughout the county organization - with the exception of the two PA 312 units who represent staff in the sheriff's office.

## COUNTY: KENT COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Kent County is expected to utilize a total of \$12 million in Revenue Sharing in 2011 to support various County programs and services. Revenue sharing provides the funding for approximately 7% of General Fund Expenditures. Any reduction to revenue sharing would have the potential to impact public safety and judicial services, result in the elimination of a significant number of positions, reduce care and maintenance of the County's infrastructure and investments including County parks.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: Below is a list of best practices that have been compiled to reflect a broad array of best-practices that are being implemented to ensure that Kent County residents are getting the best value. In recent years, the County has undertaken substantial budget reductions, including the elimination of nearly 60 full-time positions in the 2011 budget process.

### BEST PRACTICES

The following techniques, methods, processes, or activities have proven to be an efficient and/or effective method for delivering mandated, non-mandated, and necessary services to improve the quality of life for Kent County citizens.

#### Best Practices in Public Safety & Judicial Services

**Joint City and County Correctional Services:** For many years, the County has partnered with municipalities to house offenders that are charged with municipal ordinance violations. Through this partnership, the cities are able to benefit from the economies of scale evidenced by having an existing County-owned facility that has the capacity to house these offenders. As a result, municipalities do not operate their own jails and lock-ups.

**911 Call-Taking Consolidation:** In 2006, Kent County and the cities of Grand Rapids, Grandville, Walker, and Wyoming partnered with the Michigan State Police and other police, fire, and emergency medical service providers to improve emergency 911 services. Since that time, the Authority has consolidated the 911 call-taking function and reduced the number of call-centers from five to two.

**Video Visitation:** As a part of a renovation and construction of the Kent County Correctional Facility, the Sheriff's Department is installing an onsite video-visitation service.

This service will reduce the amount of time and resources necessary for Sheriff's Department staff to conduct and provide visitation services for inmates, families, and attorneys. A remote visitation service will also be available for attorneys so that they may meet with their clients without having to go to the jail.

**Inmate Labor:** The Kent County Sheriff's Department utilizes inmate labor to support the operations of the correctional facility. Inmates perform a variety of essential functions, such as kitchen work, housekeeping, and yard work, as well as working for local cities, the airport, the Animal Shelter, and other locations.

**Assisting in the navigation of court processes:** The County provides office space and contributes funding towards the operation of the Legal Assistance Center. This non-profit agency works with community partners to provide assistance to the public in the resolution of legal problems. Through this partnership, the Center can assist individuals with the legal process without requiring additional resources of the court.

**Inmate Mental Health Services:** For many years, the Sheriff's Department has partnered with the local community mental health authority to provide mental health service to inmates of the county jail. This partnership provides joint funding for services and enables inmates to continue to receive necessary mental health services after they are released.

**Outsourcing Correctional Facility Support Services:** In recent years, the Kent County Sheriff's Department has solicited competitive bids from local service providers to provide certain support services at the jail. The county continues to see cost-savings by competitively bidding for services.

**Enforcement of Court Ordered Sanctions:** The Kent County Circuit Court has initiated several efforts to improve the rate of collections for court ordered sanctions. Through techniques such as regular show-cause hearings and tax intercepts, the Court has been able to substantially increase the rate of collections.

**Community Probation Services:** The Kent County Circuit Court provides community probation services as a unique and non-traditional way of providing decentralized and personalized supervision of juveniles that are involved with the law. Through this program, probation officers work with juveniles and their families to develop cooperative and coordinated relationships with law enforcement, and on providing services and treatment plans. This program provides an alternative sanction and is intended to reduce the rate of recidivism amongst juveniles.

**The Haven:** The County contracts to provide staff secure facility for delinquent youth as a way of providing a short-term, step-down program for youth who are admitted to Detention but do not require the security level provided by Detention.



## **Best Practices in General Government/Administrative Functions**

**Reverse Auction:** In 2009, the Kent County Purchasing Office developed a "Reverse Auction" process that enables live online bidding for numerous commodities that the County's departments purchase. The County has realized savings of approximately 18 percent on commodity purchases. In 2010, the program was expanded to enable other local units of government the opportunity to utilize the County's process. To date, approximately 20 local units are participating.

**Shared Facilities:** To minimize the cost of providing public services, the County partners with many different agencies as well as local units of government and the State to provide the necessary infrastructure to support specific programs. For example, the 61<sup>st</sup> District Court of Grand Rapids is co-located within the County's 17<sup>th</sup> Circuit Court. In addition, the County partnered with the State to relocate the Department of Human Services facility along with other community service providers such as ASCET to a new facility in downtown Grand Rapids. These partnerships continue to enable the city, county, and State to provide access to essential services at less cost than if each agency were to operate independently.

**Capital Improvement Program:** On an annual basis, the County sets-aside revenue equivalent to .2 mills to fund maintenance and repair of County facilities. By designating resources and the amount of resources, the County can adequately plan for maintenance, repair, and construction at County facilities. This reduces overall costs by reducing the county's liability for system failures and ensures that county facilities remain safe for use by the public and staff.

**Coordinated Assessing Services:** The County's Bureau of Equalization has contracted with the City of Grand Rapids, and the townships of Alpine, Algoma, and Grand Rapids to perform reappraisal services. The County continues to work jointly with local assessors to seek greater efficiency in mapping and assessing services.

**Online Services:** Kent County continues to develop and implement online services to increase public access and reduce the cost of providing services. Citizens are now able to file reports online, apply for a marriage license, pay court fines, make park reservations, look-up property information, renew dog licenses, as well as access a number of other services. The result of these online initiatives has enabled departments to downsize staff that were once necessary to file reports or process transactions that are now automated.

**Pooled Investment Program for Municipalities:** The County Treasurer has implemented a pooled investment program whereby local units of government can participate and have funds invested with the County's funds to obtain the best possible rate of return.

Approximately 20 local units within the County, as well as several authorities participate in the pooled investment program.

**Energy Management:** Kent County has a proven and dedicated system to manage energy consumption. Through routine maintenance, tuning, and replacement of critical elements, the County is able to manage and therefore reduce energy consumption.

### **Best Practices in Health and Welfare**

**Kent School Services Network:** Kent County spearheaded the effort to establish the Kent School Services Network which realigns human services to support student achievement. Currently, KSSN serves 18 schools in six districts by bringing essential health and human services (DHS FIS Workers, Nurses, Mental Health Specialists) to neighborhood schools. The Network has proven effective at reducing chronic absenteeism – a leading predictor of dropping out of high school. Through coordinating services, children and families can be adequately supported to help children maintain their academic, emotional, and social health.

**Prevention Initiative:** On an annual basis, the Kent County Board of Commissioners allocates approximately \$1.7 million to provide prevention services to children and families in Kent County. The most recent report concluded that program participants are less likely to be involved with the formal Child Protection System than their comparison groups; and that each program had a positive cost/benefit ratio.

**Privatization of Foster Care Services:** Within Kent County, approximately 95% of child welfare cases are served by private agencies. This allows for DHS to concentrate on investigation and follow up, while private agencies specialize in foster services and adoption. Kent County leads the urban counties in the number of foster homes per capita and timely adoptions.

**First Steps/Early Childhood:** Kent County has led the State in adopting early childhood system change efforts that improve the outcomes of young children. This includes ensuring children on Medicaid a medical home as well as ensuring that every first time birth is offered a home visit and follow up services.

### **Best Practices in Cultural and Recreational Services**

**Volunteerism:** The Kent County Parks Department and John Ball Zoo engage hundreds of volunteers each year to help support and maintain the parks. These efforts have resulted in the culmination of thousands of hours of volunteer work and less reliance on seasonal staff.

**Public/Private Partnerships:** Kent County has long-partnered with public and private entities to develop and maintain the parks and trails system in Kent County. One of the most significant examples of this public/private partnerships is the

development/reclamation of Millennium Park, which was funded through private contributions of over \$15 million as well as public contributions of \$15 million. In addition, Kent County and various municipal partners have established agreements to jointly fund future repairs and maintenance of these multi-jurisdictional trails by annually appropriating a nominal amount of agreed upon funds.

### **Best Practices in Enterprise Activities**

*Waste-to-Energy Facility:* Kent County created this partnership with the cities of Grand Rapids, East Grand Rapids, Wyoming, Grandville, Kentwood and Walker to finance and operate the Waste-to-Energy Facility (WTE). Refuse from the communities is burned to produce steam to produce electricity sold to Consumers Energy. The WTE also serves regional and local law enforcement and other governmental agencies to destroy drugs and other unwanted material.

### **Best Practices in Public- Private and Public-Public Collaboration**

Over the years, Kent County has engaged in numerous public-private partnerships as well as partnerships with other local units of government. These partnerships span across a variety of programs and services. Partners in the private sector have provided funding for programming and services of the Kent County Family and Children's Coordinating Council as well as funding for programs at the Kent County Correctional Facility. Public partnerships have resulted from shared knowledge and shared resources ranging from public safety services to partnerships related to fiber optic networks. A complete list and description of over 80 partnerships that Kent County participates in or has established is available online at:

[http://www.accesskent.com/YourGovernment/Publications/pdfs/2010/Intergov\\_Coop\\_Update\\_2010.pdf](http://www.accesskent.com/YourGovernment/Publications/pdfs/2010/Intergov_Coop_Update_2010.pdf)

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Kent County is engaged in over 80 public/private or public/public partnerships. A complete list is available online at:

[http://www.accesskent.com/YourGovernment/Publications/pdfs/2010/Intergov\\_Coop\\_Update\\_2010.pdf](http://www.accesskent.com/YourGovernment/Publications/pdfs/2010/Intergov_Coop_Update_2010.pdf)

## COUNTY: MARQUETTE COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for? \

RESPONSE: Revenue sharing is budgeted in the county's general fund. Revenue sharing is about 5% of our general fund. We use revenue sharing to fund operations. Our general fund is 53% courts and law enforcement, so revenue sharing is supporting public safety in Marquette County.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: We have 19% fewer employees in 2011 than we had in 2002.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Working together has been a way of life up here for decades, horizontally with other counties and vertically with townships and cities. 9-1-1 dispatch, Sheriff contracts with townships, sharing technology with city, mental health, tax bills. A long list can be provided upon request.

## COUNTY: MASON COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Mason County has used revenue sharing that we have received in the past to maintain road patrols and provide ambulance services.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: Mason County has privatized its maintenance and custodial positions. We have eliminated 13 FTE in the non law enforcement offices since 1995. We have increased the employee costs related to health insurance premiums. We have used collaboration with other governmental and private entities to reduce costs related to providing a number of services. We have eliminated funding for fire departments, our school liaison officer, and closed our county landfill.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Mason County collaborates on the following items:

- We collaborated with other counties to form a ten county health department.
- We collaborated with other counties to form a three county mental health authority.
- We collaborated with other counties to form a multi-county substance abuse entity.
- We collaborated with another county to form a two county 911 center.
- We collaborated with other counties to form a three county DHS administrative office.
- We collaborated with West Shore Community College and another county to build a regional ice arena.
- We collaborated with the City of Ludington to share staff for our housing program.
- We collaborated with the City of Ludington to share staff for our brownfield authority.
- We collaborated with the City of Ludington, Pere Marquette Charter Township, and private industries to fund a joint economic development entity.
- We collaborated with the City of Ludington, Pere Marquette Charter Township, the City of Scottville, Amber Township, Victory Township, and West Shore Community College to build a regional sewage system that allows all these communities to use the sewage treatment plant owned by the City of Ludington and operate Amber Township's system on their behalf.
- We collaborated with the Chamber of Commerce, Convention Visitors Bureau, Growth Alliance and the Mason County Airport to jointly build a terminal that houses all their offices.
- We collaborated with the Chamber of Commerce to share staff for our economic development offices.

- We collaborated with the City of Ludington to consolidate the city and county libraries into a county wide District Library.
- We collaborated with other counties and the City of Ludington to create a regional drug enforcement team.
- We collaborated with twelve townships to jointly provide zoning enforcement within the county.
- We collaborated with six townships and a village to jointly provide junk enforcement within the county.
- We collaborate with the townships and cities to provide GIS services within the county.
- We collaborate with the townships to provide joint tax billing services within the county.
- We collaborate with the townships and cities to provide a county wide brownfield authority.
- We collaborated with other counties in the providing of emergency management services and training on a regional basis.
- We collaborated with other counties to hire a firm to do a feasibility study for a regional juvenile detention facility.
- We collaborated with other counties to develop a hazard mitigation plan using the same consultant.
- We collaborated with other counties to create a ten county Health Plan Corporation to provide health care to low income citizens.
- We collaborated with other counties on the feasibility of a two or three county transportation system.
- We developed a three county collaborative body for health & human services
- We collaborated with three other counties to develop a 211 system that services all three counties with the same staff.
- We collaborated with three other counties, cities, and townships to develop county household hazardous waste clean-up events in three counties.
- We collaborated with four other counties, West Shore Community College, the local intermediate & K-12 school districts on a Broadband Telecommunications Plan.
- We use the Ludington Area Schools fueling system thus saving the need for a county facility
- We use the local transportation systems mechanical staff for vehicle repairs
- We collaborate with the State of Michigan to provide MSU Extension Office services within the county.
- We collaborated with the State of Michigan by constructing office buildings to house state employees and by providing office space and supplies for other state offices in county buildings.
- We collaborate with local schools, townships, cities, and other taxing jurisdictions by purchasing and collecting their delinquent taxes on their behalf and facilitate with local treasurers on the collection of delinquent personal taxes.
- We complete the Annual Commercial Forest return on behalf of the local units of government in the county.

- We provide county wide soil erosion and sedimentation control enforcement in lieu of each township and city providing their own services.
- We provide county wide building, electrical, mechanical, and plumbing permit services in lieu of each township and city providing their own services.
- We collaborate with Consumers Energy to fund and staff a County Park.
- We collaborate with local Lake Improvement Boards to provide accounting and investing staff services to them.
- We collaborate with the District Library to provide payroll, investing, and accounting staff services to them.
- We collaborate with a local radio station to provide access to our transmission tower so that they do not have to build an additional tower.
- We collaborated with two other counties on the feasibility of a regional economic development entity.
- We collaborate with other counties to share expenses on law enforcement training
- We have a number of mutual aid agreements with other law enforcement agencies to provide mutual aid thus reducing the need for additional law enforcement staff
- We collaborate with other election jurisdictions for the administration of elections.
- We collaborate with other counties on election and vital records training.
- We carpool with other governmental entities when traveling to conferences and meetings.
- We collaborate with other counties to share policies and best practices.

## COUNTY: OCEANA COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Revenue sharing "is our life's blood" in order for us to keep the same level of services. The 2011 General Fund Budget is \$9,238,787 of which public safety is 38% or \$3,528,285. The percentage would increase if we were able to settle our POAM contract with the Sheriff's Department which expired 12/31/2009. 43% of our employees are public safety employees and 23% are court employees.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: With respect to reducing costs/eliminating costs, Oceana County has been incorporating major changes for the last several years. Here are some "off the top of my head" in no particular order:

- For many years, we have made changes to health insurance on either an annual or bi-annual basis wherein the employee and employer share in a greater portion of the deductible costs. Employees have made concessions to reduced benefits, higher deductible and paying a portion (5%) of premium costs. As a result, the 2011 health insurance premium is at the same level as in 2006.
- Wage freeze in 2010.
- New employees hired on or after 01/01/2011 will pay 15% of premium costs
- The MERS package will also change for new hires
- The Oceana County Building Inspection Department was changed from full-time inspectors with full fringe benefits to contractual inspectors effective 10/01/2010. This was huge as Inspection Department had been self-sufficient until 2008 when we were forced to subsidize from the General Fund as follows: \$43,000 in 2008; \$93,000 in 2009 and \$95,000 in 2010. In addition, there is now only 1 fulltime office staff person. When that person is sick or on vacation, employees from the Administrator's Office fill-in often times leaving the County Administrator as the only one in the Admin office.
- Travel expenses were reduced by limiting the number of conferences Board members may attend
- During the last couple of years, staff in the Register of Deeds Office was reduced by 60%
- The only area where staff has increased is in EMS wherein several additional paramedics have been hired. EMS is supported by a special millage and fees.



- Since 2008, a concerted effort has been made to pay-off long term leases and not incur any additional long-term leases. We have paid off 11 of them and have only 5 left (with 3 of them being for ambulance vehicles which are paid from the Ambulance Fund)
  - Oceana County has operated a Transfer Station/Recycling Center for approximately 20 years. In a rural community, it is important to try to keep the trash and old appliances "out of the back 40". However, it is getting more and more expensive. We considered the idea of getting out of the trash business. Instead, however, rates were increase by 35% effective November 1, 2011 in an effort to make it revenue neutral. In 2010, the General Fund subsidy to the Transfer Station was over \$60,000.
  - Oceana County continues to strive for reduction in costs; yet, continuing service to its constituents. This gets more difficult each year as the State grants for the SSCENT program; Secondary Road Patrol; and, Marine Safety continue to shrink.
  - With our audit of 2008 and again in 2009, Oceana County received its first clean opinions as a concerted effort was made to address and correct all issues. This, of course, will benefit the constituents if bonding is required.
  - We are researching contracting for cleaning and maintenance. However, we have a wonderful, efficient staff of only 4.5 FTE that are responsible for the cleaning of 3 buildings and the maintenance of 9. Also, the courts are concerned about contractual arrangements as virtual strangers would then have access to offices.
3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: With respect to consolidation/collaboration, Mason and Oceana Counties, under the Urban Cooperation Act, formed the Mason/Oceana 911 Dispatch Center. We held several meetings with Newaygo and Lake Counties in order to develop a regional inspection department; however, logistically, it simply was not feasible. We also considered going with the State of Michigan for all the building, plumbing, mechanical, and electrical inspections and plan review. However, the contractors and "do-it-yourselfers" responded very negatively to this as they had huge concerns that the State could respond timely.

We set up a Board of Public Works that is now the pass through agency for the City of Hart in its sewage disposal project. The City was not able to do this project on their own and needed the County's "good faith" to borrow. We set up 4 agricultural processing renaissance zones (which provides tax abatements to ag. businesses) in an effort to assist the agricultural businesses and encourage increased employment. In 2010, the ag. zones represented \$281,465 in property tax revenue to the General Fund that we did NOT receive.

We also routinely apply for and receive CDBG housing rehabilitation program grants in order to provide our rural, low-income residents with funding to do much needed, no-frills rehabilitation on their homes.

Oceana County does have a contract with the Medical Care Facility for IT support. Although we could benefit greatly from having an IT person on staff, we simply cannot afford to do so. The IT Supervisor from the MCF hooks up printers and does troubleshooting. For big projects, we contract for service. This is definitely not the best solution especially with laptops and video equipment in each police cruiser. In Oceana County, each deputy has their own cruiser so you can imagine the amount of computer equipment that needs attention. Also, administration staff (to include the County Administrator) does the troubleshooting and programming of our Voice Over IP telephone system.

Although times are tough, we try not to be "penny-wise and pound foolish". We set aside \$100,000 in an equipment replacement fund as our boiler is from the 1940's and our roof is 15 years old. Obviously, we need to put aside even more. We are self-funded in our liability insurance and workers' compensation. We are a reimbursing employer for unemployment benefits.

Oceana County had an opportunity to purchase parcel level maps (over 26,000) at a cost of \$15,000. Because "usual" costs could be upwards to \$100,000, we felt we could not pass it up. We will be "going live" with our GIS services on January 27, 2011 with MapsIndeed. Our goal is to put up additional layers as they become available from the townships and villages in order to assist Emergency Management in obtaining much needed critical information in an emergency. The information will also be sold in an effort to make this project revenue neutral. The Oceana County GIS Committee has been meeting twice a month with the Road Commission and village/township officials to make this a truly county-wide project to benefit all.

Oceana County has discussed the possibility of providing fringe benefit administration to other local entities. But, at this point, no contract has been finalized. In Oceana County, 43% of employees are public safety employees and an additional 23% are court employees. The remaining 34% (actually 30 employees) are in Administration, Register of Deeds, County Treasurer, County Clerk, Drain Office, Equalization, Cooperative Extension, and Maintenance.

As you can readily see, Oceana County has implemented many changes and tries to "think out of the box" in an effort to reduce costs; yet, continue to provide exemplary service to its constituents. Our 2011 budget is barebones. If state revenue sharing is not reinstated to Oceana County in 2013, we will have no choice but to make severe and dramatic cuts to personnel and are largest roster of employees is in public safety. Of course, if road patrol is reduced or eliminated that will further reduce revenue to the courts and TO THE STATE in the form of fees collected.

## COUNTY: OGEMAW COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

### RESPONSE:

- New road patrol vehicles
- Operation of 911 Central Dispatch Center
- Operation of new correctional facility

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

### RESPONSE:

- Eliminate/Not renewing grants with high county match/contributions
- Early retirement incentives
- Layoffs
- Lump sum wage increase in place of compounding annual percentage increases
- Across the board department budget reductions
- Monthly Finance Committee meetings to keep close track of expenditures
- Quarterly budget review/adjustments
- Hiring freeze
- Health Insurance plan changes
- Reduced building hours of operation
- Changed our MERS retirement to Defined Contribution versus a Defined Benefit plan
- Installed new county building heating system with guaranteed savings warranty
- Installed new heating ductwork/system and water heaters in county annex bldg
- Wage freeze for appointed department heads/elected officials for last two years
- Reduced General Fund expenditure budget by a minimum of \$250,000 the last five years
- Negotiated annual savings with workers comp insurance carrier of \$50,000
- Negotiated annual savings with umbrella policy insurance carrier of \$50,000

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

### RESPONSE:

- Combined effort with City of West Branch for local road improvement near county building
- Intergovernmental agreement for Information Technology Director with Ogemaw County Road Commission

## COUNTY: OSCEOLA COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: Osceola County uses revenue sharing funds in its General Fund. Within the fund are police services, animal control, District, Probate, Family and Circuit Courts, County Clerk, County Treasurer, County Register of Deeds, County Prosecutor, Drain Commissioner, Equalization, Technology and general services. Without the revenue sharing funds all of the departments would have reduced operations or staffing levels. Some services, like Animal Control could be eliminated.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: Osceola County has frozen non-union employee wages in 2010. We have partially self-funded health benefits to reduce costs. We have streamlined functions and shared clerical staff between departments to result in cost savings. We have had minimal growth or reductions in our operating budgets for the past five years.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Road Commission is doing weigh master program with ticket revenues returning to them from the County. The sheriff's department does some contracted ordinance enforcement for townships.

COUNTY: **OTSEGO COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: We don't account separately for money we take out of the revenue sharing reserve fund, nor did we when we had direct revenue sharing. With declining property tax values we have been cutting any positions that we can. The loss of revenue sharing would be devastating with the most likely impact being the elimination of our road patrol and curtailing much of the maintenance work performed at our airport.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: Eliminating positions; increasing fees; increasing employee health care premiums; non-union has had no raises in three years; negotiating in wage freezes in bargaining unit contracts; have been moving employees from a defined benefit retirement plan to a hybrid plan; privatized maintenance in Building & Grounds and the Airport; pushing off vehicle maintenance; many offices are having to close at lunch due to reduction in staffing.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: We have countywide zoning and have negotiated with the Townships to pay for the bulk of the costs. We are also working with the townships to help pay for services for SANE (Straits Area Narcotics Enforcement).

## COUNTY: SAGINAW COUNTY

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: While we don't specifically account for what State Revenue Sharing goes to, I would make the following recommendations in the following areas if it were cut. They are not pretty areas; but they are non-constitutional services and they, unlike everything else in the County, have not been cut recently.

Department	Amount	Result of Loss
Saginaw Future Eco. Dev.	\$150,000	No Contribution from the County
Public Health Department	\$1,500,000	80 of 110 positions cut due to lost State/Federal leverage dollars
Mental Health Authority	\$1,000,000	60 positions cut due to lost State/Federal leverage dollars
Sheriff Road Patrol	\$1,000,000	10 of 18 Patrol officers cut
Prosecutor Special Projects	\$300,000	5 positions cut – partially grant funded
Probation Officers	\$500,000	6 positions cut = early release from jail

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

RESPONSE: We have eliminated 15% of our jobs in the past few years. That's 118 jobs gone. We have frozen wages for all employees for 6 of the last 8 years. We have eliminated benefits such as Longevity and Retiree Health Care in all union contracts for new hires. We have attained concessions from all employees on Health Insurance. We have moved from DB retirement to DC retirement. These job eliminations, pay freezes and benefit concessions have not been enough. We still, without any change to our State Revenue Sharing face a \$5.5 million deficit for 2012.

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: To corroborate with other units of government we have:

- 1) Established a Countywide 9-1-1 Authority.
- 2) Established a Countywide GIS Authority.
- 3) Established a Countywide Storm Water Authority.
- 4) Established a Countywide Solid Waste Authority.
- 5) Established a Countywide Economic Development Entity in Saginaw Future.
- 6) We have just last month regionalized our Convention and Visitors Bureau.
- 7) Established a Countywide and Regional Law Enforcement Reporting Network
- 8) Established a Countywide Law Enforcement Mobile Data Terminal System.

SUMMARY: We have had pain for 8 years. We've cut staff most everywhere. We've frozen wages for at least 6 of the last 8 years. We've cut every benefit at the bargaining table. We've established several Countywide systems involving most, if not all, municipalities in the County. We still face a \$5.5 million shortfall next year. If State Revenue Sharing goes, it becomes a \$10 million shortfall. An independent financial consultant just told us in a written report and verbally last week that a \$10 million shortfall is certain bankruptcy. His report is on the face page of our website at [saginawcounty.com](http://saginawcounty.com).

## COUNTY: **TUSCOLA COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

RESPONSE: The following information focuses on providing specific examples for the MAC request number three from above. It includes a summary of various changes that are reforming county government that have been implemented in Tuscola County. It provides examples from one county of how implemented changes are helping to lead the way in government reform, collaboration, service sharing, and decreasing the size of government. This information, in combination with information from other counties, will enable the development of a state-wide best practices data base. It will also assist in supplying proactive proven approaches as state-county-local discussion continues regarding government reform. Challenging financial times require innovation and creativity.

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

### RESPONSE:

#### **Best Practices**

- Sheriff department police service contracts with local units of government
- Fire, police, dispatch and emergency services mutual aid agreements
- County bond rating upgrades
- First Ethanol Plant in the State of Michigan
- Medical Care Facility expansion and renovation
- MSU - Agricultural Experiment Station
- Infrastructure improvements including: Industrial park upgrades, sewer and water systems, airport roads, bridges
- Technological advancement: video arraignment, optical imaging, data workflow imaging systems
- Balanced county budgets and excellence in county financial reporting awards
- Refinancing MCF Bonds
- Financing assistance on infrastructure projects with assistance from the County Board of Public Works
- Wind Energy potentials
- Industrial Park upgrades
- Prescription drug card

#### **Other potential service base consolidations**

- 911/Dispatch
- Joint economic development efforts
- Veterans services
- Emergency services



- Review the benefit/cost of combining county central service functions to avoid duplication such as payroll, insurance programs, fringe benefit administration, financial administration
3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

**RESPONSE:**

**Example 1 – Joint Tuscola and Sanilac Animal Control Services**

**Problem** – In order to assist in balancing the 2003 County Budget, the Tuscola County Board of Commissioners eliminated animal control services. Animal control was a financial strain on the general fund because annual expenses exceeded revenue by approximately \$100,000. Animal control services are not mandated by law, but are still important public services. After animal control was discontinued, police agencies were required to handle animal bite cases. Without an animal shelter in operation, there was no place to take stray animals. The public and animal right groups, along with police agencies, publically expressed concern and demanded change.

**Solution** – Neighboring Sanilac County was also experiencing financial stress at this time. It was discovered that this county may also have to close their animal control operation.

Administrators from the two counties discussed the feasibility of providing joint animal control services under an intergovernmental service agreement. Tuscola County now contracts with Sanilac County for animal control services. Sanilac County animal control officers have been effective at enforcing licensure of animals which increased revenue and changed animal control from a net drain on the Tuscola County general fund of \$100,000 to a breakeven operation. The Tuscola Animal Shelter was re-opened and a great burden was removed from police agencies allowing them to focus on higher priority public safety issues. Through these changes, the Sanilac animal control operation was also allowed to stay open. This eight year collaborative effort continues to be highly successful and financially advantageous for both counties (Intergovernmental Agreement is available).

**Example 2 – State /County Cooperation to Reopen of Camp Tuscola as a Residential Re-Entry Center**

**Problem** – In 2007, the State of Michigan closed Camp Tuscola which was a minimum security level prison in Tuscola County. This closure resulted in the immediate loss of approximately 50 correction officers' jobs.

**Solution** – County officials requested meetings with State Corrections officials to review alternatives concerning what could be done to prevent job losses to the community. The County took a positive understanding attitude into these discussions with appreciation that the state had to reduce costs, but at the same time seeking a compromise to reduce the negative impacts of job losses to the community. After several months of negotiations and though a spirit of

intergovernmental collaboration and cooperation, the county was successful with the state reopening the facility as a Residential Re-Entry Center. Approximately 25 jobs were restored.

### **Example 3 – Contracting for Building Code Services**

**Problem** – For years, Tuscola County had been experiencing major problems with labor and union issues involving the county building codes department. Also, with the downturn in the economy, building activity started to decline and costs to operate the department exceeded building permit revenues. Rather than continue operating a troubled county department, the decision was made to review alternative methods of providing building code services. One option considered was to allow the state to provide building code services. After discussion with other counties, it was determined that the state building code department was slow in responding to permit requests.

**Solution** – The County discovered a public sector entity made up of various units of government around the state called South Central Michigan Construction Code Commission (SCMCCI). Although Tuscola County chose not to become a member of the organization, it did contract for service from SCMCCI. This organization is very customer friendly with great communication skills. In addition to improving public service the county eliminated the concern of having poor financial years that can occur with a county operated building code department. This risk was eliminated by structuring an arrangement whereby SCMCCI operates with revenues generated from building permits issued in Tuscola County (Intergovernmental Agreement is available).

### **Example 4 – Cost Reduction through Sharing of Equalization Director with Huron County**

**Problem** – As previously noted, Tuscola County's financial situation over the last several years has been challenging. Tuscola County has always taken a proactive approach to service cost sharing and delivery as a potential method of cost reduction. Tuscola County officials maintain an awareness of changes occurring in surrounding units of government and always encourage review of joint service provision when the opportunity arises. Through the media and the Tuscola County Equalization Director, it was discovered that the Huron County Equalization Director was resigning.

**Solution** – Discussion with county officials from both counties was conducted to explore the feasibility of entering into an agreement to share Equalization Director services. Huron County needed a Level III Equalization Director. The Tuscola County Equalization Director has this level of certification. Officials from the two counties met and it was determined that sharing one director would be financially advantageous to both counties. Under the current intergovernmental agreement, Tuscola is now receiving approximately \$36,000 from Huron County as their share of costs for the Equalization Director (Intergovernmental Agreement is available).

### **Example 5 – Tuscola County Equalization Department Providing Assessing Services to the City of Caro**

**Problem** – When the Village of Caro changed status from a Village to a City in 2009, they became responsible for conducting property assessing. The new City had to find a method of conducting property assessments.

**Solution** – The City officials began reviewing alternative methods of conducting property assessing. The County Equalization Department is certified and capable of performing assessing functions. After reviewing benefits and costs of various alternatives, the City officials decided to enter into an intergovernmental agreement for the County Equalization department to perform this assessing function. Although a staff person had to be added to the Equalization Department, the County still nets a profit from doing the assessing functions for the City with an estimated \$20,000 per year (Intergovernmental Agreement is available).

### **Example 6 – Recycling of Old Tires as a Joint Effort with Local Government**

**Problem** – Tuscola County, like many other places throughout the country, have tires spread about the countryside which are not only unsightly but are also breeding grounds for mosquitoes. Many public complaints were heard regarding the problems with tires that needed to be recycled.

**Solution** – In order to solve this problem, county officials developed an innovative program in 2010 to recycle tires. This program is a shining example of governments working together in the interests of the public to solve a problem. The program increases tire collection by the county making recycling trailers available to local governments. The county finances the program using Mosquito Abatement funds available from the public approved Mosquito Abatement millage. This program was highly successful in 2010 with eight local units of government participating. It is estimated that over 6,400 tires were recycled. This is an estimated 192,000 pounds or 96 tons of rubber (Intergovernmental Agreement is available).

### **Example 7 – Contracting with the Private Sector to Provide “Turnkey” Computer-Technology System Support**

**Problem** – In January of 2011, the County Information Technology (IT) Director resigned. The IT department provided computer and related technical support to almost all county departments. This work was being done by a department with only 2.5 staff members including the director. One of the difficulties of a small staff was the inability to keep-up with demands for computer/printer repair and replacement along with administrative functions such as budgeting and interacting with hardware/software vendors.

**Solution** – County officials decided that it would be advantages to contract with a private computer service company to provide “Turnkey” support. After review of several alternative

approaches, it was decided that support from Zimco, which is a private computer company, would be more effective than rehiring a director. Many departments have expressed appreciation for this change because response time in providing support has improved. A summary of the reasons for this change is as follows (County-Zimco Agreement is Available):

- o Logical expansion of the existing role of Zimco in the county
- o No increase in IT budget
- o Zimco has contract management agreements with other governmental entities
- o Zimco knows county computer system architecture
- o Zimco has multiple staff with areas of expertise and specialization
- o Ability to interface with software companies
- o Ability to interface with department heads
- o Contracting Zimco avoids the delay of hiring a director and delay in project work including the relocation of many departments

#### **Example 8 – Cost Reduction through Sharing Health Department Director and other Positions with Huron County**

**Problem** – The Tuscola County Health Department has experienced state and county cuts over the last several years. Tuscola and Huron County officials were pro-active in finding methods of adapting to this financial situation. As previously noted, Tuscola County's financial situation over the last several years has been challenging.

**Solution** – Discussion with county officials from both counties was conducted to explore the feasibility of entering into an agreement to share Health Department Director services.

Currently, the Tuscola County Health officer serves both counties. This intergovernmental service arrangement has been highly successful for many years. (Intergovernmental Agreement is available).

#### **Example 9 – State/County Partnership - Lease Agreement with the Department of Human Services**

**Problem** – The State of Michigan Department of Human Services had a 20 year lease for the use of a county building that expired in 2008. The county was considering the use of the leased building to solve their own office space issues. If the county had chosen to use this building, the state would have been without a facility to house the Human Services operation.

**Solution** – After extensive review of county space needs and alternative solutions, it was decided that the building housing the State of Michigan Department of Human Services should continue to be used by the State. County officials conducted in-depth discussions with the state to renegotiate the lease. The bond payments for building construction costs were paid off in 2003. The state wanted to remodel and upgrade the building. Costs for the remodeling were approximately \$300,000. The county agreed to pay for the remodeling from the county capital improvement fund. The state agreed to enter into a 20-year lease with annual lease payments of \$267,500 for the first five years of the lease. Inflationary increases are also built into the lease.

The county remodeling costs for the building were recovered in just over one year. The county now receives an annual lease revenue payment from the state of \$267,500. This lease has been tremendously helpful in supporting general fund operations. Without this new vital source of revenue, county cost reductions over the past several years would have been greater. This is a good example of state and county government working together to create a winning combination.

#### **Example 10 - Leveraging Federal Funding to Strengthen County Services**

**Problem** – With limited county funding capabilities, it has been difficult to advance initiatives.

**Solution** – The County has taken an aggressive stance in pursuing federal grant sources of funding to be able to accomplish objectives. Examples of recent successful grants received include:

- **Energy Grant** - Tuscola County, in conjunction with Huron and Sanilac Counties, has received approximately \$490,000 in federal grant funds to make county and local governmental offices more energy efficient. Some of the projects to be implemented with the grant include: installation of solar energy panels at the Municipal Building in Cass City, installation of a wind energy generator at the Municipal Building in the Village of Mayville, street lighting upgrades in the City of Caro, non-motorized transportation planning in the Village of Harbor Beach, County and Watertown Township lighting, and conducting energy audits throughout the region.
- **Brownfield Redevelopment Grant** - Tuscola County received a \$400,000 Brownfield Redevelopment Grant from the EPA for assessment and potential clean-up of 30 sites that are ready for the next stage of development. A second Brownfield grant was requested for 2010. The objective of the program is to eliminate environmental problems that have occurred at these sites so the land can be properly used.
- **Economic Gardening** - This program assists the growth of promising, emerging small businesses by providing access to a coordinated and comprehensive market information research "infrastructure." This infrastructure integrates databases provided through local libraries and the State of Michigan's Electronic Library (MeL). These integrated databases are complemented by value-adding technical assistance. This information provides businesses with market research and competitive intelligence, which in many cases enables them to substantially improve their growth prospects. The success of the 2008 program was influential in the awarding of a second United States Department of Agriculture grant of \$40,000 to continue the program in 2009.
- **Housing Rehabilitation** - Tuscola County has received Community Development Block Grants from the State of Michigan Housing Development Authority for housing rehabilitation for approximately 15 years.
- **Enterprise Facilitation** - Tuscola County has become an economic development leader in the state through implementation of the world renowned Sirolli Program of Enterprise Facilitation [www.sirolli.com](http://www.sirolli.com). The County took action several years ago to

begin the process of reversing disconcerting economic trends by working diligently as a partnership of public/private entities and individuals to rebuild the economy through implementation of enterprise facilitation. Tuscola County recognizes that a significant portion of new jobs are created by new and existing local businesses, and that new jobs created by local entities are most likely to remain local in this global economy. Rural Business Enterprise Grant funds were received in the amount of \$75,000.

- **Revolving Loan Fund** - The Tuscola County Economic Development Corporation (EDC) has administered a Revolving Loan Fund designated for Tuscola County projects. This has been an excellent tool for local economic development. The fund serves the financing needs of small businesses and entrepreneurs, and has helped businesses and individuals in all economic segments of the economy and in all geographic areas of the County. The demand for financing of small businesses and local entrepreneurs far exceeds the present capital distribution capabilities of the Tuscola County EDC's Revolving Loan Fund. The Tuscola County EDC has a need for capital for the Revolving Loan Fund. A grant was approved in 2009 by the Federal Government for \$20,000 to increase the capital available to the Revolving Loan Fund.
- **Domestic Violence Grant** - The Tuscola County Domestic Violence Unit (DVU) was formed in collaboration by the County of Tuscola and the Human Development Commission's Assault Crisis Center. The project was funded in the amount of \$400,000 for two years by an Office of Violence Against Women Community-Defined Solutions grant. A Prosecutor, Investigator and Advocate are co-located in one office to facilitate evidence-based prosecution of domestic violence cases and provide victim-centered advocacy. Project goals include a higher conviction rate, better case tracking, GPS tracking in pre-trial situations, the formation of a Coordinated Community Response Group and the ultimate goal of enhancing the safety of victims and the accountability of offenders.

## COUNTY: **WAYNE COUNTY**

1. Most importantly, what does the revenue sharing that you have gotten in the past pay for?

### RESPONSE: State of Michigan Budget Challenges – The Local Effects

- State eliminated revenue sharing in 2004 replacing it with advanced tax collections
- Uncertainty and unpredictability of revenue sharing payments could be redirected due to State budget problems
- Unfunded Mandates
- County required funding of the Circuit Courts without necessary funding from the State, and the county has no say in fiscal management
- Required funding of 50% of the cost of juveniles in state facilities
- Under funding and elimination of funding for diverted felons

2. What is your county doing to reduce costs, eliminate costs, keep costs down, reform government, etc.?

### RESPONSE:

- Reduce dependence of general fund (GFGP) expenditures up to 25% countywide (includes all elected officials)
- Reduced cost of negotiated workforce actions
- 10% salary concessions for all elected officials, executives and 70% of the union staff - second consecutive year
- Eliminated non-essential, non-mandated services
  - Assessment
  - Chore program
  - Nuisance abatement (NAP)
  - Cooperative extension
- Smarter, smaller, less costly government, shared services
- Saved \$4 million by restructuring certain central service chargebacks (such as corporation counsel, which services all of Wayne County) to the General Fund
- Privatized jail food service
- Smaller executive workforce, will be down from 4779 to 3528 (1,251) from FY 2008 to FY 2011, excluding the third circuit court's temporary restraining order (TRO) mandated increases
- Eliminated bonus check for retirees until the bonus check funding criteria is reached (\$250 million has been paid out since 1984 regardless of pension fund's actuarial requirements); saving \$34 million
- Reduced maintenance of effort dollars to more closely align with the State of Michigan
- Established general fund payment plan for elimination of county deficit (presented by budget year):\*
  - 2004-05 Budget \$2.0 million

- 2005-06 Budget\*\* \$2.0 million
- 2006-07 Budget\*\* \$7.9 million
- 2007-08 Budget \$9.0 million
- 2008-09 Budget\*\* \$7.0 million
- 2009-10 Budget \$43.0 million
- 2010-11 Proposed \$35.7 million

3. What is your county doing to collaborate or consolidate with other local units of government/provide services for or with other units of government or for the state?

RESPONSE: Over the past six years, Wayne County has experienced increases and decreases to the general fund, as noted below. Even with a consistent overall budget, unrestricted funds, such as grants and other federal program funding sources, have decreased significantly. These elements, in combination with deficit spending by other elected officials and property tax declines, have contributed to a forecasted budget gap of \$90 million for the 2010-2011 proposed budget year.

**The County has taken the following actions to reduce expenditures and re-shape and re-size government for maximum efficiencies:**

- Saved thousands of jobs through shared sacrifice and implementation of furlough days, saving the county \$6.9 million, equaling 140 jobs, while maintaining the same level of service
- Eliminated car allowances, saving \$744,000, and reduced the number of cars assigned to county personnel from 274 in 2002 to 122 in 2010, with 14 at will employees having cars.
- Implemented new health care plan design and increase cost sharing for active employees and retirees, saving a combined \$24 million annually
- Established a retiree health care trust to fund and administer retiree health care benefits
- Instituted an early retirement incentive program for eligible employees, and offered employee buyout incentives for employees not eligible for retirement, and has reduced full time employees to 4,290 (2.20 per 1,000 population) in 2010, **projected 2010-2011 county employees is 1.85 per 1,000**
  - Wayne County has the lowest number of County employees per 1,000 of population ratio for the second consecutive year at 2.68 (2007) and 2.77 (2008).
  - Wayne County's ratio of number of employees per 1,000 of population in 2008 is 45% lower than the average and 51% lower than the median ratios as identified from CAFR statistical data.
- Refinanced outstanding debt to achieve favorable interest rates and reduced debt obligations
- Performance management and budgeting principles (MFR) implemented, resulting in more aligned county goals, objectives and streamlined operations
- Acquired and renovated the historic Guardian Building to consolidate office facilities for executive departments and Commission, saving \$2.8 million annually, while acquiring an asset,



- County spent on average \$5.3 million annually on renting the Old Wayne County Building
- Invested in and implemented cutting edge technology to improve workflow and optimize efficiencies
  - E-Government initiatives
  - Voice Over IP (VOIP) internet phone system
  - State-of-the-art data center
- Implemented Comprehensive Assessment & Master Plan Project (CAMPP), which reduced 55 positions in Department of Public Service (DPS) environment division
- Significantly reduced both intrastate and interstate travel, while establishing stringent travel guidelines for all county employees
- Privatized two golf courses (Warren Valley and Inkster Valley); turned a \$1.0 million deficit into \$530,000 in revenue which is applied to pay down debt service

## **Possible Mandates/Reforms Beneficial to Counties**

PA 312 Reform

Urban Cooperation Act Reform

CMRS Fund corpus for incentives for consolidation of 911 PSAPS

Property tax collections moved to Summer only

Electronic Notices for meetings/state website hosting

County economic development coordination

Permanency for Shared Services Initiative

Rid counties of private foster care administrative rate

Allow counties to district road commissioners

Allow greater discretion in county fee setting

Suspend instead of eliminate Medicaid during incarceration

Allow CMH to use general funds in jails

Eliminate MCOLES effort to require 520 hours to be considered a peace officer

Ease mandates regarding: court funding, mental health MOE, public health services, solid waste planning, friend of the court, court reporters, foster care/juvenile justice, and reporting, etc.

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## **Questionable Reforms/Mandates That Need More Study**

Privatize nursing home inspections

Move Register of Deeds Technology Funds to county GF after a certain time

County Equalization Director requirement reform